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SENSITIVE
SIPDIS

DEPARTMENT FOR EAP/MTS AND EEB/EPPD - N. SMITH-NISSLER

E.O. 12958: N/A

TAGS: [AMGT](#) [BEXP](#) [ECON](#) [ELAB](#) [ETRD](#) [KSEP](#) [SENV](#) [ID](#)

SUBJECT: DUE DILIGENCE ON ACE NOMINEE PT CARGILL INDONESIA

¶1. (SBU) Mission has reviewed the performance of PT Cargill Indonesia and reaffirms that its conduct in Indonesia has been exemplary.

¶2. (SBU) Are there possible negatives or risks of U.S. embarrassment that could result from the potential selection of post's nominee?

None foreseeable. PT Cargill Indonesia is a well-respected company here.

¶3. (SBU) Do you have any information concerning job creation in the United States resulting from the operations of the company you nominated?

-- PT Cargill Indonesia sells Cargill products in this market, creating and maintaining jobs in the United States. Top-selling U.S.-sourced exports include bulk soybeans, wheat and corn; meat and bone meal sourced in Texas; and a wide range of food ingredients (flavorings, sweeteners and texturizers) produced in multiple facilities in the United States. Cargill provides protein products to the food and feed industries by importing, warehousing and distributing quality soybeans to the Indonesian tofu and tempe industry and feed grains and protein meals to the animal and poultry feed industry. With nearly 60,000 of its 159,000 employees worldwide located in the United States, Cargill's operations in Indonesia help support the jobs of these U.S. employees and countless American farmers. From 1994 to 2008, Cargill advises that it has added an average of 1,000 U.S. jobs annually in the United States.

¶4. (SBU) Assessment of the company's trade and investment activities with regard to helping stimulate economic growth in the U.S. and increasing American exports?

-- In addition to selling U.S. exports to Indonesia, Cargill's team in Indonesia also expands overall worldwide growth for Cargill, as it sources various commodities in Indonesia for use in its processing factories around the world. In its 2009 summary annual report, Cargill reports that it opened new or expanded processing facilities in the U.S. and in several other countries that enlarge its global supply chains in canola, cocoa, palm, soy and biofuels. By providing safe, sustainable and competitive raw ingredients sourced in Indonesia, PT Cargill contributes to a global supply chain which supports the jobs of its U.S. employees and the jobs of its U.S. corporate customers. PT Cargill Indonesia reports that 40-50 percent of Cargill's global revenues are generated by international trade and that 25 percent of its U.S. income is directly generated by international trade.

¶5. (SBU) State of labor conditions in the company's facilities and are workers unionized?

-- PT Cargill Indonesia allows its workers to unionize and it has labor unions at two of its plantations. PT Cargill Indonesia reports that about 1,000 of its employees at its Hindoli plantation in Sungai Lilin are union members, though only 267 are active and paying union dues. At its Harapan plantation in Manismata, Kalimantan, about 5,000 employees are labor union members. PT Cargill Indonesia has a total of approximately 8,500 employees in Indonesia.

¶6. (SBU) Any litigation pending in local courts involving the

company?

None material. PT Cargill Indonesia has occasional tax challenges -- of the kind regularly faced by foreign firms doing business in Indonesia -- which are heard and resolved in local courts.

¶7. (SBU) Confirm that the Chief of Mission and others involved in nominating process do not hold shares of stock or have other financial interests in the company.

-- Cargill is the largest privately-held company in the United States. Chiefs of Mission (former and current), country team and those involved in the nomination process do not own individual shares of Cargill or any of its subsidiaries or have any financial interest in the company.

¶8. (U) Embassy point of contact for additional follow-up is Debra Juncker, e-mail: JunckerDA@state.gov (Economic Section).